


Standard Operating Procedure:	<b>Purchasing Cards</b>
Division:	Financial Services
Effective Date:	4/1/2022
Executive Director Approval:	
Reference to ASC or State Policy:	Education Code 89036 and Public Contract Code, 10430(a), 12100.5, and 12120.
Revisions:	

- I. **PURPOSE:** Purchasing cards (P-cards) are used to improve the efficiency, flexibility, and convenience related to purchasing and paying for goods and certain approved services.
- II. **SCOPE:** This procedure applies to all CSU Fullerton Auxiliary Services Corporation (ASC)'s funds. All P-card holder transactions are subjected to this procedure. Issuance of a P-card is a privilege; every reasonable effort must be made to ensure that funds are used responsibly and consistently with ASC's and University's missions, applicable laws, and ethical practices. Purchases must be made in accordance with established ASC and CSU policy and procedures for expenses associated with official business that directly benefit ASC and the University. P-cards are not to be used for personal expenditures. Any personal purchases must be immediately reported and reimbursed to ASC by the cardholder and may result in the revocation of card privileges.

P-cards may also be used for procuring travel related goods and services. All travel-related use of the P-card will be governed by ASC and CSU travel policy and procedures.

- III. **DEFINITIONS:** For the purpose of this procedure, the following definitions apply.

**Administrator:** An individual who is responsible for the day-to-day management and administration of the P-card (ASC account payable staff).

**Cardholder:** The named individual to whom the P-card is issued and whose name appears on the card.

**Approver:** Individual(s) at a supervisory level who is/are responsible for reviewing and/or approving purchases made by the Cardholder. Approvers may not be in a subordinate relationship to the cardholder.

- IV. **OBJECTIVE:** P-cards provide an alternative purchasing method of transaction without the direct involvement of ASC payable process. A P-card is an ASC liability credit card that may be used for ASC official business use only. P-cards provide benefits that include:

- Streamline the processes for small dollar orders, reduce invoice, and payment frequency.

- Reduce paperwork and processing time throughout the organization.

V. **PROCEDURES:** New cardholders must complete and submit a P-card application to ASC Financial Services (<https://www.fullerton.edu/asc/finance/forms.php>). A P-card is assigned when the P-card application's review is complete. ASC accounts payable staff (P-card Administrator) will provide training, the card, and online bank access to the Cardholder.

P-card credit limit will be determined based on the associated project's account fund balance and revenue and expenditure activities. Credit limits should be established reasonably to be consistent with the approved expenditures of the individual Cardholder. Additionally, credit limits will be reviewed on regular basis to determine the Cardholder's need and activity and the number of cardholders associated with a specific project account as maintaining reasonable P-card credit limits reduces financial exposure.

Changes to credit limits are verified with Sponsored Programs/Campus Programs coordinator, then communicated to the Cardholder and Approver. Responsibilities related to this procedure are

**Administrator Responsibilities:**

1. Training 'Cardholders' with related purchasing, P-card procedures, and to actively monitor the acceptable use of issued P-card.
2. Training 'Designated Approver' with related purchasing, P-card procedure, and the specific responsibilities of being an 'Approver'.
3. Adjusting and communicating all P-card changes including credit limits after all required approvals of the changes are made.

**Cardholder Responsibilities:** Cardholder is to make purchases in accordance with the regulations established by CSU policy and procedures, ASC procedures, as well as federal and state rules to ensure accountability to the public, and fair and ethical treatment of vendors. Cardholder responsibilities include:

1. Agreeing to P-card program requirements established and as amended by ASC's P-card issuing bank (Wells Fargo).
2. Completing and signing "Cardholder Agreement" that Cardholder specifically acknowledges the receipt of card, agrees to use P-card for ASC approved purchases only, and complies with the procedures established by ASC and the P-card issuing bank (Wells Fargo).
3. Protecting the card to prevent unauthorized use.
4. Not sharing or authorizing others (subordinates or otherwise) to use the card.
5. Retaining all itemized receipts of items purchased for submission with the Cardholder's monthly statement.

6. Ensuring all spending are legitimate purchases made by the Cardholder on behalf of ASC. Any fraudulent or suspected fraudulent charges must be immediately report to the bank; banks rules and instructions must be followed to clear those charges.
7. Immediate reporting of a lost or stolen card to the bank and adhering to banks rules and instructions.

**Approver Responsibilities:** The Approver is the individual assigned to a Cardholder to ensure compliance with the regulations established by CSU policy and procedures, ASC procedures as well as federal and state rules by reviewing the transactions monthly basis. A Cardholder cannot function as his or her own Approver. Approver responsibilities include:

1. Completing P-card training, as necessary;
2. Reviewing to ensure adequate transaction documentation included with monthly statement;
3. Identifying possible violations of assigned Cardholder(s) and taking appropriate action if violations are found; and
4. Monitoring transactions of assigned Cardholder(s) for appropriateness of purchase and making sure no prohibited items have been purchased.

**Prohibited Purchases/Transactions:** The P-card may not be used for the following:

1. Cash advances, money orders, wire transfers, Titan card/copy card deposits, gift cards, or other cash equivalent items.
2. Public relations (unless the expense has a pre-approved Directive-11);
3. Personal purchases (including personal expenses during a business trip);
4. All services and goods that require the purchaser to sign a contract or document that requires administrative and/or legal review.
5. Purchases restricted by the grants or contracts.
6. Narcotics/controlled substances.
7. Raffle or prizes.
8. Fines, late fees, penalties, interest, and finance charges.
9. Splitting purchases to circumvent the transaction limits (note: a split purchase is defined as one item, or set of items sold as a set, that has been split by the merchant to look like two separate purchases).



10. Purchases which result in a conflict of interest for the user, resulting in personal gain, or which violate ASC or CSU policies or procedures.

**P-card Reconciliation:** At the end of a statement period, the Cardholder and Approver will be notified via email from the bank (Wells Fargo) to review the monthly card statement. The Cardholder has access to the bank website to review the statement where all available functions can be referenced in the 'Cardholder Quick Reference Guide'. The statement will reflect the transaction date, posting date, supplier/merchant name, and the total amount of the purchase. Upon the receipt of the statement:

**Cardholder's responsibilities:**

1. Check statement to ensure all the transactions posted are legitimate.
2. Ensure all transactions are accounted for with itemized receipts included.
3. Cardholder signs the monthly statement as reviewed.
4. Submit the Cardholder's signed monthly statement with all receipts to the Approver for their review and signature.
5. It is highly recommended to make copies for Cardholder's own records.

**Approver's responsibilities:**

1. Review and approve all charges.
2. Ensure all purchases are appropriate.
3. Ensure proper documentation is attached to the monthly statement.
4. Ensure that a Directive 11, signed by division head or designee, has been submitted with the packet, if applicable.
5. Once the statement has been reviewed and signed, the packet needs to be forwarded to ASC.

**Disputed or Fraudulent Charges:** The Cardholder's responsibilities include:

1. If the merchant has charged a Cardholder incorrectly or if there is an outstanding quality or service issue, the Cardholder must first contact the merchant and try to resolve the error or problem. If the issue is resolved with the merchant, and the error involved an overcharge, a credit adjustment should be requested so that it will appear on the next statement. Please make a note on your record to verify that the correct credit has been received.
2. If the merchant disagrees that an adjustment is necessary, the Cardholder will complete an online dispute form. The details of the disputed transaction will be entered online and followed up on by the issuing Card bank.

3. Any fraudulent charge (i.e. a charge appearing which was not authorized by the cardholder) must be reported immediately to ASC accounts payable staff (P-card administrator) and the card issuing bank (Wells Fargo). Prompt reporting of any such charge will help to prevent ASC cardholder's account from being held responsible.
4. The bank must receive any charge dispute within 60 days of the transaction date. While pending resolution, the bank will credit the P-card for the amount of the disputed transaction. The bank may reverse the credit for the disputed transaction depending on the bank's investigation process. The bank will notify the Cardholder via email when and the outcome of the disputed transaction.
5. If there is any discrepancy between the record log and statement, it is imperative that the issue be addressed immediately. Depending on the type of discrepancy, Cardholder will need to contact the merchant or complete the online dispute form to resolve the disputed transaction.

**Change of Cardholder Position:** A Cardholder or Approver has responsibility to notify the P-card administrator or Sponsored Programs/Campus Programs coordinator of changes in ASC project P-card participants. When a Cardholder leaves their position, the P-card must be surrendered to ASC Financial Services or ASC Human Resources. ASC accounts payable staff (P-card administrator) will update the issuing bank and ASC accounting system immediately.

- VI. APPROVALS:** All P-card charges must be reviewed and approved by an approver or a person who has been delegated the authority to verify that Cardholder's purchases are appropriate.
- VII. CONTROL & COMPLIANCE:** Monthly spending limits are set at the time of card issuance. The monthly credit limit may be changed by an email request from the supervisor's explaining the reason for the change. The email should include the requested monthly limit amount and whether the request is permanent or temporary. Temporary increases are for periods up to three (3) months. All spending limit changes must be approved by the account holder, ASC Sponsored Programs/Campus Programs coordinator, and ASC Controller or Executive Director.

Monthly credit card reconciliation will be reviewed by ASC Sponsored Programs administrator and accounts payable supervisor.

ASC Controller will periodically review P-card activity and, as necessary, propose adjustments to credit limits, close and/or reduce non-active P-cards, and ensure a reasonable number of Cardholders are associated with a specific account.